



Dakota Access Pipeline Testimony of Kari Cutting North Dakota Petroleum Council May 28, 2015

Chairwoman Fedorchak and Commissioners, my name is Kari Cutting, vice-president of the North Dakota Petroleum Council. The North Dakota Petroleum Council (NDPC) represents more than 550 companies, directly employing 65,000 employees in North Dakota in all aspects of the oil and gas industry, including oil and gas production, refining, pipeline, transportation, mineral leasing, consulting, legal work, and oilfield service activities in North Dakota. I appear before you today in support of the Dakota Access Pipeline.

NDPC has a long history of strong relationships with landowners. We share concerns over leaks, pipeline routing and response plans. Many of our members and staff are landowners and have had experience navigating easement requests on their land. Additionally, we have identified easements and new pipelines as the most important method to provide adequate transportation while reducing flaring. To address the importance of landowner relations, NDPC established a Right of Way Task Force that brought together industry, landowners and other stakeholders to address pipeline easement and landowner relationship issues. We have spent nearly a year and the 2015 legislative session developing tools to help landowners with the easement process. Recommendations from this task force led to legislation to create an ombudsman program within the North Dakota Department of Agriculture. This service will soon be available to landowners to provide a local contact for assistance in the easement process.

The Dakota Access pipeline is not only important to North Dakota, it's important to the country and the world. Dakota Access represents the first major

pipeline to provide transportation for Bakken crude oil to the East Coast and Gulf Coast refining markets. This is a major step in safe and reliable transportation of Bakken crude by pipeline into these areas. In addition, pipelines like Dakota Access will ease the growing pressure on our rail system thereby helping farmers and manufacturers throughout the upper Midwest.

Pipelines also helps North Dakota oil producers, mineral owners, and the state of North Dakota get a better price for each barrel of Bakken crude oil by not only lowering shipping costs but also providing access to markets where the demand exists for high quality Bakken oil.

Why is this important? What has the Bakken meant to U.S. consumers? You can thank the Bakken every time you pay a dollar less for a gallon of gas at the pump. Yes, it's the technology developed in North Dakota that has led to energy renaissance in the United States. This energy renaissance has added nearly 5 million barrels of oil to U.S. production and has made our country the leading energy producer in the world. Since 2007, the Bakken has led the way in reducing our reliance on foreign oil by more than 20 percent—a feat thought not possible just ten years ago.

We all hear the concerns being raised about safety and pipelines but the facts are clear: spills and incidents on major regulated pipelines are rare. The Keystone pipeline built through eastern North Dakota nearly a decade ago is an example; it operates every day quietly moving energy across the continent without notice. Dakota Access Pipeline will be equipped with the latest state-of-the-art leak detection technology, reducing the potential for an incident.

That is the true value of pipelines: they are invisible, economical and safe.

Thank you for letting me voice my support for this critical piece of energy infrastructure that we feel will reduce our nation's dependence on foreign oil.